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TAGS: [EAID](#) [KHIV](#) [SOCI](#) [KMCA](#) [KTIA](#) [AMGT](#)
SUBJECT: PM SUPPORTS COUNTRY ASSISTANCE STRATEGY AND
HIV/AIDS PARTNERSHIP FRAMEWORK

REF: A. MAPUTO 610
[1](#)B. MAPUTO 493

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[1](#)1. SUMMARY: The Charge dAffaires and other senior Mission staff met with Mozambican Prime Minister, Dr. Luisa Diogo on June 19 to share the recently-approved USG Country Assistance Strategy and discuss the process of developing a Partnership Framework to guide programming to address HIV/AIDS over the next five years. The Prime Minister was pleased to see the strong alignment of the U.S. foreign assistance strategy with Mozambican government priorities and noted the important signal continued U.S. assistance and high resource levels represents for Mozambique at this time. She pledged her support, as head of the National Council to Combat HIV/AIDS involving various key Ministries, to the development of a Partnership Framework, noting that the Government is also developing a new HIV/AIDS strategy over the next few months that will inform this process. In response to information regarding difficulties in getting work permits for expatriates required to implement USG foreign assistance programs or open up U.S. companies wanting to invest in Mozambique (reftels), the Prime Minister expressed concern and asked for further information to raise the issue in high-level government discussions. END SUMMARY.

Country Assistance Strategy

[1](#)2. On June 19, 2009, the Charge dAffaires, USAID Mission Director, CDC Director, and the Director of USAIDQs Health Office met with Mozambican Prime Minister, Dr. Luisa Diogo to present the new Country Assistance Strategy that will guide USG foreign assistance over the next five years and solicit her support for the development of a five-year Partnership Framework to guide USG programming under the PresidentQs Emergency Plan of AIDS Relief (PEPFAR). The USG delegation began by outlining the strategic focus and priorities of the Country Assistance Strategy, noting that it was a result of various consultations with representatives from government, private sector, civil society, and expert analysts and was based on various Mozambican government strategies. The Charg indicated that current projections for future USG foreign assistance to Mozambique over the next five year, including the implementation of the existing Millennium Challenge Compact, could total nearly \$2 billion.

[1](#)3. The Prime minister stated that this strong U.S. commitment to development assistance in Mozambique in the midst of the international crisis sent a very strong, positive message to the Government of Mozambique and other donor countries. Further, she was extremely impressed with the focus of the strategy, praising the in-depth consultative process resulting in a strategy directly aligned with the most critical needs of Mozambique. She highlighted

the two new areas of U.S. Government involvement, education and support for the police as particular needs of her country. The Prime Minister noted the strength of current U.S. Government assistance programs, especially the Millennium Challenge Account, PEPFAR, and food security programs, and expressed satisfaction that the U.S. Government is scaling up assistance to Mozambique.

Partnership Framework for USG Investment in HIV/AIDS

¶4. The U.S. delegation explained that the projected U.S. Government investment of \$1 billion in HIV/AIDS in Mozambique over the next five years would need to be guided by a Partnership Framework that will clarify the priorities and commitments of both the U.S. Government and the Government of Mozambique to combat HIV/AIDS through service delivery, policy reform, and coordinated financial commitments. The USG group noted that her leadership would be crucial in coordinating all the key Ministries that form part of the National AIDS Council and that she would be asked to sign the Framework on behalf of the Mozambican government.

¶5. The Prime Minister was very pleased with this approach, stating that HIV/AIDS is a cross cutting theme of extremem importance to every part of the Mozambican Government. Further, she stated that this planning process would coincide with the Mozambican Government five-year planning process including the development of the third Mozambican national planning process, including the development of the third Mozambican national plan for HIV/AIDS that would be developed over the next few months. The Prime Minister agreed that coordination with the National AIDS Council would be important because of the multisectoral nature of their membership, including civil society. She also stated that she would inform the Minister of Public Administration to request close collaboration in the development of the Partnership Framework as they develop an HIV/AIDS

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initiative within the public sector.

Work Permit Challenges

¶6. The Charg stressed the continued commitment of the U.S. Government to strengthening our bilateral partnership through development assistance but noted that implementing this ambitious and complex program would require the contribution of some expatriate professionals to compensate for the sever human resource shortage in Mozambique. The Charg stated that non-transparent, bureaucratic work permit approval processes are negatively affecting the U.S. Government's ability to obtain work permits for expatriate staff members (reftels). The Charg highlighted several specific examples including the cancelation of a training of 30 health workers in HIV treatment provision because the expatriate trainers were denied work permits. The Charg stated that the private sector has also been negatively impacted, discouraging critical foreign investment, noting that Chiquita operations in Nampula had been fined \$200,000 shortly after the visit of President Guebuza and that Chiquita had chosen to locate its bureaucratic red-tape.

¶7. The Prime Minsiter was very concerned about the negative impact of the work permit issue on both development assistance and private sector investment. She stated that elements of the new labor law such as quotas are not new, concluding that this is more of a political problem and an incorrect interpretation of the law rather than a legal issue. She mentioned hearing similar concerns about the work permit system during her overseas travel and asked the Charg for more information on concrete examples of work permit challenges and the negative consequences. The Prime Minister stated that she would follow up on this important issue.

COMMENT: Positive Move on Framework Agreement

¶8. The Prime Minister's comments on the close alignment between the

Country Assistance Strategy with government priorities and plans were a welcome confirmation of the consultation process and new directions proposed. Her leadership as chair of the board of National AIDS Council, which includes the Minister of Health, Minister of Education, and Minister of Women and Social Action, among others, will be critical to developing a multi-sectoral strategy for HIV/AIDS that orients the development of a Partnership Framework with the USG. Though some see her political influence waning within the government, she still wields significant influence on economic and technical issues that may be helpful in addressing the work permit problems that have negatively affected our assistance programs and been a disincentive for private investment.

CHAPMAN